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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY PRODUCTSUP | OCTOBER 2021

Product Data Is The Most Important Data Set Next To Customer Data

Digital business leaders struggle to keep up with and capitalize on changes in consumer expectations around the products they shop for in a digital world. These businesses have long been told to optimize everything, including their product content, processes, and operations in each channel. At the same time, consumers expect a personalized, consistent, and single experience with a business across all touchpoints. This contradiction has created frustration and increasing complexity for digital businesses, as businesses cannot devote resources needed to keep up with the pace of digital demands. The result is an exponential rise in complexity as management teams try to tame commerce anarchy.

To explore this subject, Forrester surveyed 375 business decision-makers and directors responsible for commerce technology and strategy at their firm in North America or Europe.

Key Findings



To effectively scale and deliver top-tier user experiences, brands prioritize key product management practices. Great product management demands a nearly obsessive focus on end users and outcomes.



Organizations want to optimize the content for their channels, and 62% of firms are looking to upgrade or replace their current commerce solutions.



Organizations seek partners that help them solve business problems.

Businesses Are Prioritizing CX And Business User Efficiency

Digital touchpoints are more prominent than ever in customer journeys. Consumers have come to expect a more personalized experience, and they want rich information every step of the way.

Sixty-nine percent of survey respondents said their organization is improving customer experience and quality-of-life features like better personalizing their customer-facing web and mobile experiences (66%).

To keep up with a rapidly evolving digital world, businesses need to be relentless in delivering holistic, unified experiences. So, it's no surprise that 69% of respondents said improving business efficiency is their organization's top software priority during the next 12 months.

“Which of the following initiatives are likely to be your organization’s top business priorities over the next 12 months?”

● Important ● Critical

Improve the experience of our customers

44% 25%

Improve our products and services

46% 22%

Accelerate our response to business and market changes

44% 21%

Improve the experience of our employees

51% 14%

Improve our ability to innovate

40% 23%

“Which of the following initiatives are likely to be your top software priorities over the next 12 months?”

● Important ● Critical

Improve business efficiency

43% 27%

Better personalize our customer-facing web and mobile experiences

47% 19%

Update/modernize key legacy custom-developed applications

47% 19%

Brands, Retailers And Service Providers Find Quick Wins Thanks To Digital Capabilities

To meet the needs of the customer in the digital era, businesses need to consistently manage their product content consistently across all channels.

Great product management demands a nearly obsessive focus on end users and outcomes, a simplified go-to-market strategy, and digital capabilities to support the channels that brands need. Brands, retailers and service providers revealed their firm is selling more products on its own website (47%), increasing product assortment and availability (45%), and expanding drop-shipping capabilities (34%). They're also broadening their exposure to more digital channels. Fifty-nine percent of survey respondents said their organization sells directly to consumers through its own website and with its own inventory.

“What are your organization’s main digital sales priorities (e.g., e-commerce, dot-com, drop-ship, marketplaces) over the next 12 months?”



Brands, Retailers And Service Providers That Struggle With Product Data Provide Poor CX

Organizations chase growth, revenue, and market share, and they have more recently pivoted to adopt more customer-centric strategies. However, delivering product data quickly and accurately is no easy task. Two of the biggest challenges for organizations are:

- Customizing product descriptions by channel (30%).
- Maintaining consistent brand content in all channels (30%).

This struggle between optimized-but-consistent content is amplified by the need for brands to keep information detailed, comprehensive, and correct. As a result, CX is suffering and impacting the bottom line.

“Which of the following mandates do you struggle with regarding your product data?”

Customizing things like product descriptions for different selling channels 30%

Keeping our brand and product information consistent across all channels 30%

Maintaining accurate product data 27%

Maintaining detailed, comprehensive product data 26%

Losing sales to poor online customer experiences 25%

Reduced margins due to poor online customer experiences 24%

Augmenting product data that comes out of back-office systems 23%

Brands, Retailers And Service Providers Recognize How Poor Product Data Hinders Progress

Product management is a highly contextual and experiential function. Each organization will execute on its strategy differently. But survey respondents said their firms recognize that poorly executed digital and product strategies, among others, will lead to missed sales opportunities and decreased revenue.

In fact, organizations that can't operate efficiently hinder their own CX and customer satisfaction because customers need to jump through too many hoops to get what they want when they need it. Recognizing these challenges means business models need ongoing nurturing. This has implications that ripple across all parts of the business, including operations, marketing, customers, customer touchpoints, and even legal and finance. It takes continual attention to be sure that brands deliver unified CX.

“How have these challenges impacted your business?”

Missing sales opportunities

27%

Inability to operate efficiently

25%

Decreased revenue

24%

Lower customer satisfaction

23%

Decreased profitability

22%

Organizations Must Learn To Syndicate Data Effectively

Business users must format and distribute product data to selling channels, advertising channels, and any number of end points. Product syndication allows business users to format and export product data for any business purpose. Brands that best leverage product syndication can position themselves to thrive in a highly competitive market.

For instance, product information management (PIM) helps create a single view of product data across the business. However, to enrich and orchestrate product information, and in the case of marketplaces and social commerce also order data, quickly and consistently across channels, organizations must learn to properly distribute their data and bring about a level of consistency, tell product stories, and engage with customers across multiple touchpoints.

Improving product syndication capabilities can improve the following:

69%



Customer experience

65%



Employee experience

66%



Response to market changes

34%



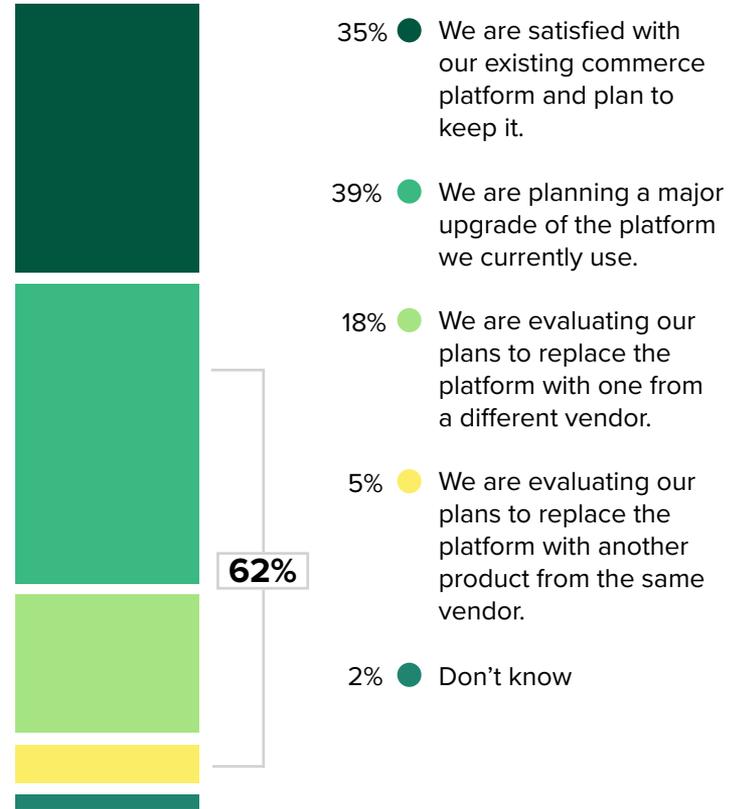
Drop-shipping capabilities

Upgrade Or Replace Commerce Solutions

Commerce needs to tame product data and overcome commerce anarchy, but firms don't have the capabilities that are optimized for customizing and syndicating product data for external channels ranging from wholesalers to marketplaces. Current solutions simply don't meet the requirements of optimized digital businesses.

So, it's no surprise that 62% of survey respondents said their organization is strategizing how to replace its platform. Thirty-nine percent said their firm is planning a major upgrade. Meanwhile, 18% said their firm plans to replace its platform with one from a different vendor, and 5% said their firm plans to replace its platform using the same vendor.

“Which of the following best describes the status of your commerce platform system?”



Seek Solutions That Affordably Impact CX Above All Else

Business leaders are investing the time and effort required to ensure the right pillars of product management are in place. Seeking out technology providers can help fill gaps in this strategy.

Survey respondents said their organizations look for technology providers that are affordable (36%) and that have expertise on CX (35%), business, processes, technology, and software platforms expertise (32%).

“What are the primary characteristics you look for in the various solutions in your curated suite (total commerce ecosystems)?”

Competitive pricing

36%



Customer experience expertise

35%



Business process, technology, software platform expertise

32%



Brand/reputation

32%



Expertise/knowledge in new technologies

30%



Conclusion

To compete and stay relevant, brands, retailers and service providers are increasing their focus on digital strategies to unify product content management and syndication across channels. This better supports a robust value chain that feels personalized and appropriate, no matter the touchpoints.

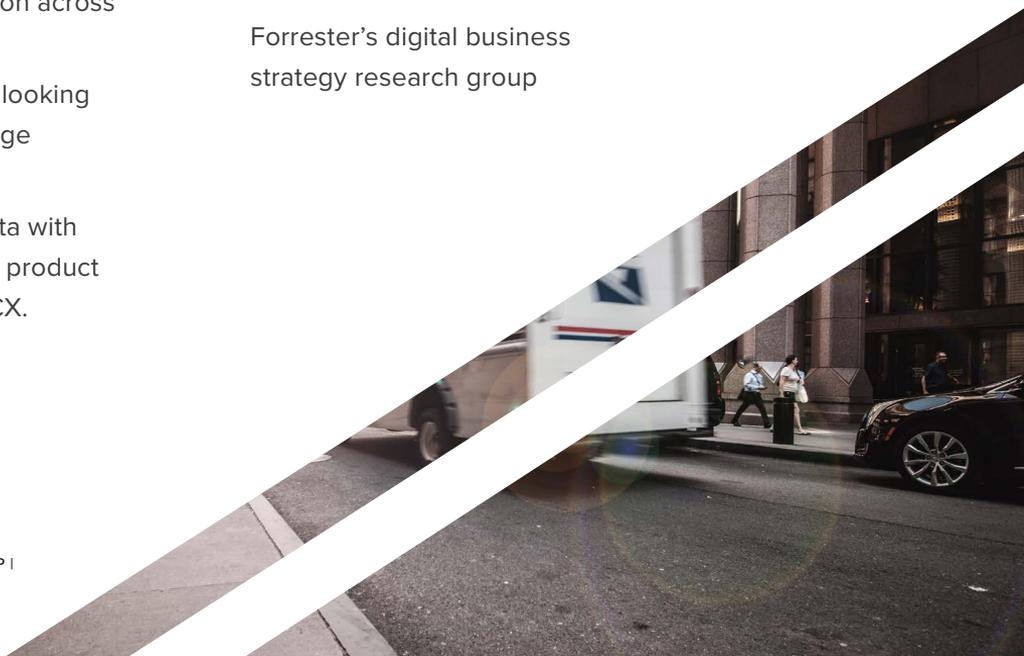
- Poor product data means inconsistent product information across all selling channels, which leads to poor CX.
- More than half of respondents said their organization is looking to replace its current commerce solution to better manage product information.
- Brands should adopt a central repository for product data with flexible data models to enrich content so marketing and product teams can unlock the value of product data and boost CX.

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Methodology

This Opportunity Snapshot was commissioned by Productsup. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 375 business decision-makers and directors responsible for commerce technology and strategy at their organization in North America or Europe. The custom survey began and was completed in October 2021.

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Demographics

REGION	
North America	34%
Europe	66%

LEVEL OF RESPONSIBILITY	
Final decision-maker for the organization's commerce platform strategy	40%
Part of a team of decision-makers for the organization's commerce platform strategy	44%
Influence decisions related to the organization's commerce platform strategy	16%

POSITION	
C-level executive	13%
VP (in charge of several departments)	24%
Director (manage a team of managers)	30%
Manager (manage a team of practitioners)	33%

INDUSTRY	
Brand (e.g., electronics, consumer packaged goods, travel and hospitality, telecommunications, food/beverage)	76%
Service provider	12%
Retailer	12%

A blurred USPS mail truck is driving down a city street. The truck is white with the USPS eagle logo on its side. The street is lined with tall buildings, and there are pedestrians on the sidewalk. The word "FORRESTER" is overlaid in white serif font across the middle of the image.

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